

The Influence of Social Factors and Subjective Norms on Investment Decision-Making: A Comparative Analysis of Gen Z and Millennials

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Abstract

Investment decision-making is increasingly influenced by social surroundings, especially in an environment shaped by digital media, peer interaction, family guidance, and widespread access to financial information. The present study examined the influence of social factors and subjective norms on investment decision-making among Gen Z and Millennial respondents. The study was based on primary data collected from 480 respondents and analyzed using SPSS and SmartPLS 4. The findings show that social factors significantly influence investment decision-making directly and also affect perceived behavioral control and subjective norms. Subjective norms also significantly influence investment decision-making in both generations. However, the multigroup analysis indicates that the path differences between Gen Z and Millennials are not statistically significant. The study concludes that social influence is an important determinant of investment behavior, but this influence operates in a broadly similar way across both generations. These findings support earlier literature highlighting the relevance of social influence, behavioral context, and normative pressure in financial decision-making (Alshebami & Aldhyani, 2022; Ikhsan & Wulandari, 2024; Singh et al., 2025; Thanki et al., 2025).

Keywords: Social factors; Subjective norms; Investment decision-making; Gen Z; Millennials; Comparative analysis; Behavioral finance

1. Introduction

Investment decision-making has become an increasingly important area of research because financial participation is no longer shaped only by income, savings, and market opportunity, but also by the broader social environment in which individuals receive and interpret financial information. In the present era, people are continuously exposed to investment-related messages through family discussions, peer interaction, social media, online platforms, financial news, and expert commentary. As a result, investment behaviour is increasingly influenced by social surroundings, shared opinions, and perceived approval from others rather than by purely individual reasoning. This changing context has made social factors and subjective norms highly relevant constructs in explaining why and how individuals make investment decisions (Alshebami & Aldhyani, 2022; Tabassum et al., 2021; Shahzad et al., 2024). Social factors refer to the influence of external environments such as family, peers, media, internet-based information, and professional advice on financial thinking and action. These factors can shape how individuals understand investment opportunities, assess risk, and develop confidence in decision-making. In modern financial markets, especially those supported by digital technology, people often rely on social sources to validate information and reduce uncertainty before investing. Prior research has shown that social influence is strongly associated with financial behaviour and can meaningfully affect decision outcomes, especially when individuals are still developing investment

experience or depend on external guidance (Alshebami & Aldhyani, 2022; Ammar et al., 2025). This suggests that investment decisions should be understood not only as rational economic choices but also as socially embedded behaviours.

Alongside social factors, **subjective norms** have also emerged as an important determinant of financial and investment behaviour. Subjective norms refer to the perceived approval, expectation, or pressure that individuals feel from important others regarding whether they should perform a particular behaviour. In the investment context, such norms may arise when family members, friends, colleagues, or online communities encourage stock market participation, mutual fund investment, or other financial activities. The literature rooted in the Theory of Planned Behavior has consistently shown that subjective norms can influence behavioral intention and decision-making, particularly in contexts where social validation matters (Ikhsan & Wulandari, 2024; Singh et al., 2025; Thanki et al., 2025). Similarly, Natalia and Sihombing (2025) and Rahmayanti et al. (2025) found that subjective norms contribute meaningfully to investment intention, indicating that investment behaviour is partly shaped by social approval and shared financial culture. The relevance of these constructs becomes even stronger when examining Gen Z and Millennials, two generations that are highly visible in today's financial environment. Gen Z has grown up in a deeply digital world where financial ideas, stock tips, and investment trends circulate rapidly through social media, short-form content, and peer networks. Millennials, while also digitally connected, often combine this exposure with broader financial responsibilities, greater work experience, and more practical engagement with long-term financial planning. Although both generations are active participants in modern information ecosystems, the strength and form of social influence may differ according to age, life stage, financial maturity, and decision context (Kurniadi & Herdinata, 2024; Shahzad et al., 2024). Therefore, comparing Gen Z and Millennials provides a useful basis for understanding whether social influence on investment behaviour is generation-specific or broadly similar across cohorts.

A growing body of research has examined investment behaviour using financial literacy, behavioral finance, and planned behavior perspectives. Studies such as Arora and Chakraborty (2023), Hussain et al. (2022), and Suresh (2024) have shown the importance of financial literacy in shaping investment decisions, while other studies have emphasized behavioral and attitudinal determinants such as risk tolerance, overconfidence, and financial capability (Adil et al., 2022; Ahmad & Shah, 2022; Song et al., 2023). However, several recent studies have also stressed the importance of social and normative influences. Ikhsan and Wulandari (2024), Singh et al. (2025), and Thanki et al. (2025) highlighted the relevance of subjective norms and planned behavior variables in investment-related intention, while Ammar et al. (2025) drew attention to the role of peer influence in the financial decision process. These studies suggest that the social side of investment behaviour deserves closer attention, especially in comparative generational research. Despite this growing literature, there remains limited empirical work that specifically examines the combined influence of social factors and subjective norms on investment decision-making while directly comparing Gen Z and Millennials in a single framework. Much of the existing literature either focuses more heavily on financial literacy and personal capability or examines social and normative variables in relation to intention rather than actual decision-making. The present study addresses this gap by focusing more directly on how social factors and subjective norms shape investment decision-making and whether these effects differ significantly across the two generations. This makes the study valuable both theoretically and practically, as it adds to the behavioral finance literature while also offering insights relevant for financial educators, policymakers, and digital investment platforms.

The study is based on the view that investment behaviour in the current era is shaped by an interaction between social exposure and perceived social approval. Individuals do not merely assess returns and risks in isolation; they also interpret what others are saying, what others are doing, and whether

investing appears socially supported or expected within their environment. In this sense, social factors may influence investment decisions directly, while subjective norms may serve as a more specific social-psychological channel through which that influence is expressed. By comparing these mechanisms across Gen Z and Millennials, the study seeks to clarify whether the same social logic operates similarly for both groups or whether generational differences meaningfully alter the investment decision process.

2. Review of Literature

2.1 Social Factors and Investment Decision-Making

Social factors refer to the external influences that shape an individual's attitudes, preferences, and actions in financial matters. These factors usually include family opinion, peer influence, professional advice, media exposure, internet-based information, and broader social interaction. In the context of investment, social factors become important because investors often do not rely only on personal judgment; they also consider what others are saying, doing, and recommending before making financial decisions. Earlier studies have shown that social influence plays an important role in financial behaviour and investment-related action. Alshebami and Aldhyani (2022) explained that social influence significantly affects financial behaviour, especially among younger individuals, because financial actions are often shaped by interaction with others and by the surrounding financial environment. Ammar et al. (2025) also highlighted that peer-related influence contributes to investment decision processes and may shape how investors interpret opportunities and financial choices. Tabassum et al. (2021) found that behavioral and environmental factors, including external influence, significantly affect investor decision-making behaviour. These findings suggest that social surroundings can affect investment decision-making by guiding attention, reinforcing ideas, and reducing uncertainty. For Gen Z and Millennials, this influence is especially important because both groups are highly connected to digital media, financial content, and social communication networks.

H1: Social factors have a significant positive effect on investment decision-making.

2.2 Social Factors and Subjective Norms

Subjective norms refer to the perceived social pressure, approval, or expectation that individuals feel from important others regarding whether they should perform a particular behaviour. In financial contexts, subjective norms arise when individuals believe that people around them support, encourage, or expect them to engage in investment-related behaviour. Social factors and subjective norms are closely connected because continuous exposure to family views, peer discussions, media narratives, and online financial communities can gradually build a sense that investment is socially desirable or acceptable. The literature supports this relationship. Singh et al. (2025) emphasized that attitudinal and normative elements play an important role in investor intention, especially when financial actions are socially discussed and interpreted. Thanki et al. (2025) also found that the theory of planned behavior, including subjective norms, remains useful in explaining financial behavioural intention in investment contexts. Natalia and Sihombing (2025) further showed that subjective norms are associated with investment intention and can develop through information cascades and social influence. This means that when investors are regularly exposed to investment-related advice and communication, they may develop stronger normative beliefs about participating in financial markets. Therefore, social factors are expected to positively influence subjective norms in the present study.

H2: Social factors have a significant positive effect on subjective norms.

2.3 Subjective Norms and Investment Decision-Making

Subjective norms influence behaviour by affecting how individuals respond to perceived approval or expectations from important others. In the case of investment decision-making, subjective norms may shape whether an individual feels encouraged to invest, whether investment is viewed as a socially appropriate action, and whether support from others strengthens decision confidence. This is especially relevant in uncertain financial contexts, where social reassurance can reduce hesitation and increase willingness to act. Several studies support the role of subjective norms in financial and investment behaviour. Ikhsan and Wulandari (2024) reported that subjective norms significantly influence intention to invest, suggesting that social approval remains important even when investment decisions are framed in formal financial settings. Rahmayanti et al. (2025) found that subjective norms help drive students' intention to begin stock investing, while Natalia and Sihombing (2025) also linked subjective norms with investment intention in a broader behavioral model. Thanki et al. (2025) similarly supported the importance of subjective norms in mutual fund investment behaviour. These findings show that individuals often respond not only to personal reasoning but also to the belief that investment is valued or approved by others. Thus, subjective norms are expected to positively influence investment decision-making in the present study.

H3: Subjective norms have a significant positive effect on investment decision-making.

2.4 Comparative Analysis of Gen Z and Millennials

Comparative analysis in behavioral finance is important when a study includes different age-based cohorts because generational groups may differ in exposure, financial experience, social interaction, and decision context. In the present study, Gen Z and Millennials are compared because both groups are active in modern financial environments, yet they differ in life stage, digital exposure, and practical financial responsibility. Gen Z is more likely to be influenced by rapidly changing online content, peer-led narratives, and early-stage financial experimentation, whereas Millennials may approach investment with relatively greater maturity, income experience, and long-term planning. Previous studies suggest that both generations are important in the study of modern investment behaviour. Kurniadi and Herdinata (2024) examined investment decisions among Millennials and Gen Z and showed that both groups are shaped by behavioural and financial determinants. Shahzad et al. (2024) also demonstrated the value of multigroup analysis in testing whether financial behaviour models differ across categories of investors. Although it is possible that social factors and subjective norms may vary slightly in strength across age groups, the broader theoretical expectation remains that both generations are influenced by comparable behavioral mechanisms in investment decision-making. Therefore, the present study tests whether the structural relationships differ significantly between Gen Z and Millennials.

H4: There is a significant difference between Gen Z and Millennials in the relationships among social factors, subjective norms, and investment decision-making.

2.5 Conceptual Support for the Study

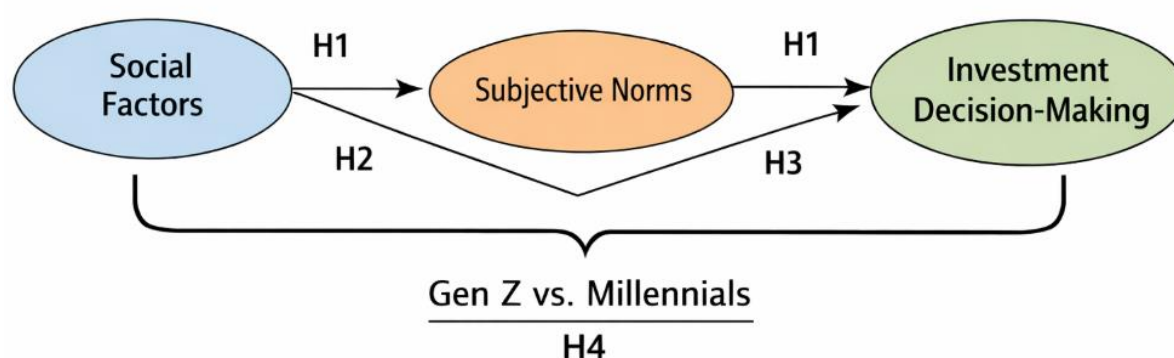


Figure 2.1: Conceptual Framework

The literature reviewed above shows that investment decision-making is not merely a rational economic process but also a socially influenced behaviour. Social factors provide information, encouragement, and environmental cues, while subjective norms convert broader social influence into perceived approval or pressure. Together, these variables create a behavioral pathway through which individuals form and act on investment decisions. The reviewed studies support the argument that family influence, peer guidance, digital information exposure, and normative beliefs all contribute to financial action in meaningful ways (Alshebami & Aldhyani, 2022; Ikhsan & Wulandari, 2024; Natalia & Sihombing, 2025; Singh et al., 2025; Thanki et al., 2025). Thus, the present study uses these constructs to explain investment decision-making among Gen Z and Millennials and to compare whether the same model behaves differently across the two groups.

3. Research Methodology

3.1 Research Design

The present study adopted a quantitative, descriptive, and comparative research design to examine the influence of social factors and subjective norms on investment decision-making among Gen Z and Millennial respondents. The study used a survey-based approach because it was suitable for collecting measurable responses and testing the proposed relationships in an empirical manner.

3.2 Population and Sample

The target population of the study comprised individuals belonging to Generation Z (14–29 years) and Millennials (30–45 years). A total of 480 valid responses were included in the final analysis. The sample covered respondents from different gender, income, and occupational groups, which made the dataset diverse and appropriate for comparative generational analysis.

3.3 Data Collection

The study was based on primary data collected through a structured questionnaire. The questionnaire was prepared in a simple and clear format so that respondents from both generations could understand the statements and provide suitable responses.

3.4 Measurement of Variables

The questionnaire measured the main constructs of the study, namely Financial Literacy (FL), Social Factors (SF), Perceived Behavioral Control (PBC), Subjective Norms (SN), and Investment Decision-

Making (IDM). Most of the items were measured on a five-point Likert scale, while the items related to subjective norms were measured on a three-point scale. In this paper, the major emphasis was placed on social factors and subjective norms as the key variables influencing investment decision-making.

3.5 Tools of Analysis

The collected data were coded and analyzed using SPSS and SmartPLS 4. SPSS was used for demographic analysis and descriptive statistics, while SmartPLS 4 was used for structural model assessment and hypothesis testing.

3.6 Structural and Comparative Analysis

The study used path analysis, mediation analysis, and multi-group analysis (MGA) through SmartPLS 4. Separate subgroup analysis was conducted for Gen Z and Millennial respondents in order to compare the structural relationships across the two generations. The multigroup analysis was applied to determine whether the differences in the path relationships between the two groups were statistically significant.

3.7 Basis of Hypothesis Testing

The hypotheses were tested on the basis of path coefficients, standard deviation, t-statistics, p-values, and coefficient of determination (R^2). Significant paths were accepted, while insignificant paths were rejected according to the statistical results.

3.8 Ethical Considerations

The study was conducted purely for academic purposes. Participation was voluntary, and the confidentiality of respondents was maintained throughout the research process. No personal identity of any respondent was disclosed in the study.

4. Data Analysis and Results

4.1 Demographic Profile

Table 1. Demographic Profile of Respondents (N = 480)

Variable	Category	Frequency	Percent
Gender	Male	233	48.5
	Female	247	51.5
Age Group	14–29 years (Gen Z)	270	56.3
	30–45 years (Millennials)	210	43.8
Income	Low Income	186	38.8
	Middle Income	156	32.5
	High Income	138	28.7
Occupation	Student	114	23.8

	Private Job	129	26.9
	Self-Employed	129	26.9
	Unemployed	108	22.5

Source: Primary data compiled by the researcher.

The study is based on 480 respondents. Female respondents (51.5%) are slightly higher than male respondents (48.5%). In terms of age, 56.3% belong to Gen Z and 43.8% belong to the Millennial group. Regarding income, 38.8% fall in the low-income category, 32.5% in the middle-income category, and 28.7% in the high-income category. The occupational profile shows a balanced spread, with 23.8% students, 26.9% private employees, 26.9% self-employed respondents, and 22.5% unemployed respondents. This demographic composition indicates that the sample is adequately diverse and suitable for studying investment decision-making among Gen Z and Millennials.

Table 4.2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FL1	480	1.00	5.00	3.5000	.78344
FL2	480	1.00	5.00	3.4833	.77523
FL3	480	1.00	5.00	3.4938	.78075
FL4	480	1.00	5.00	3.4687	.80646
SF1	480	1.00	5.00	3.3021	.79034
SF2	480	1.00	5.00	3.3417	.78340
SF3	480	1.00	5.00	3.3083	.78126
SF4	480	1.00	5.00	3.3063	.81987
PBC1	480	1.00	5.00	2.7750	.79363
PBC2	480	1.00	5.00	2.7750	.75867
PBC3	480	1.00	5.00	2.7688	.82918
SN1	480	1.00	3.00	1.4479	.54962
SN2	480	1.00	3.00	1.4479	.56461
SN3	480	1.00	3.00	1.4750	.57741
IDM1	480	2.00	5.00	3.8792	.82875
IDM2	480	2.00	5.00	3.8688	.82590
IDM3	480	2.00	5.00	3.8854	.82333

IDM4	480	1.00	5.00	3.8625	.82615
IDM5	480	1.00	5.00	3.9000	.83404
Valid N (listwise)	480				

Source: SPSS output based on primary data.

Table 4.2 indicates that the items measuring Financial Literacy have mean values ranging from 3.4687 to 3.5000, suggesting that respondents generally possess a moderate level of financial awareness and investment-related understanding. Among these items, FL1 records the highest mean value of 3.5000, indicating that respondents tend to believe that they have a reasonably good understanding of investment. The standard deviations for these items remain below 1.00, which implies a moderate but acceptable spread of responses. The Social Factors items show mean values between 3.3021 and 3.3417. These values indicate that respondents moderately rely on internet sources, media information, family, friends, and experts while making investment decisions. Among the Social Factors items, SF2 reports the highest mean, suggesting that internet and media-based financial information have a relatively strong influence on respondents' investment thinking. The findings reflect the growing importance of digital information channels in financial decision-making among younger and middle-aged investors. The Perceived Behavioral Control items record noticeably lower mean scores, ranging from 2.7688 to 2.7750. This suggests that although respondents may have some financial awareness, they are comparatively less confident about their practical ability to identify profitable investments or act quickly in stock-market settings. In other words, knowledge and confidence do not appear to move at the same intensity, which strengthens the importance of including Perceived Behavioral Control as a mediating construct in the model. The Subjective Norms items register the lowest mean values, between 1.4479 and 1.4750, on a three-point response range. These values suggest that respondents are relatively less driven by social pressure or social approval when thinking about stock market participation. However, since the standard deviations remain low, the responses are fairly consistent. In contrast, the Investment Decision-Making items produce high mean values ranging from 3.8625 to 3.9000, indicating that respondents tend to compare investment options, seek advice, set goals, and consider both risk and return in a systematic manner. This pattern suggests that the sample demonstrates a relatively rational and deliberate orientation toward investment behavior.

4.2 Structural Model Results for Millennials

The Millennial subgroup results also support most of the proposed structural relationships and broadly mirror the pattern observed in the overall sample and Gen Z subgroup. Financial Literacy significantly affects both Investment Decision-Making and Perceived Behavioral Control, confirming that financial knowledge remains a major driver of rational investment behaviour and confidence in financial action among Millennials. However, just as in the overall model and the Gen Z analysis, Financial Literacy does not significantly influence Subjective Norms, which suggests that knowledge alone does not create social approval or normative pressure for investment participation. Perceived Behavioral Control significantly affects Investment Decision-Making, demonstrating that Millennials, like Gen Z respondents, are more likely to make favorable investment decisions when they feel capable of managing financial options and uncertainty. Social Factors significantly influence Investment Decision-Making, Perceived Behavioral Control, and Subjective Norms, while Subjective Norms also significantly influence Investment Decision-Making. This indicates that Millennial respondents are also meaningfully shaped by external information, social surroundings, and normative expectations.

The Millennial structural pattern therefore confirms the continuing importance of financial literacy, confidence, and social influence in explaining investment decisions within this generation.

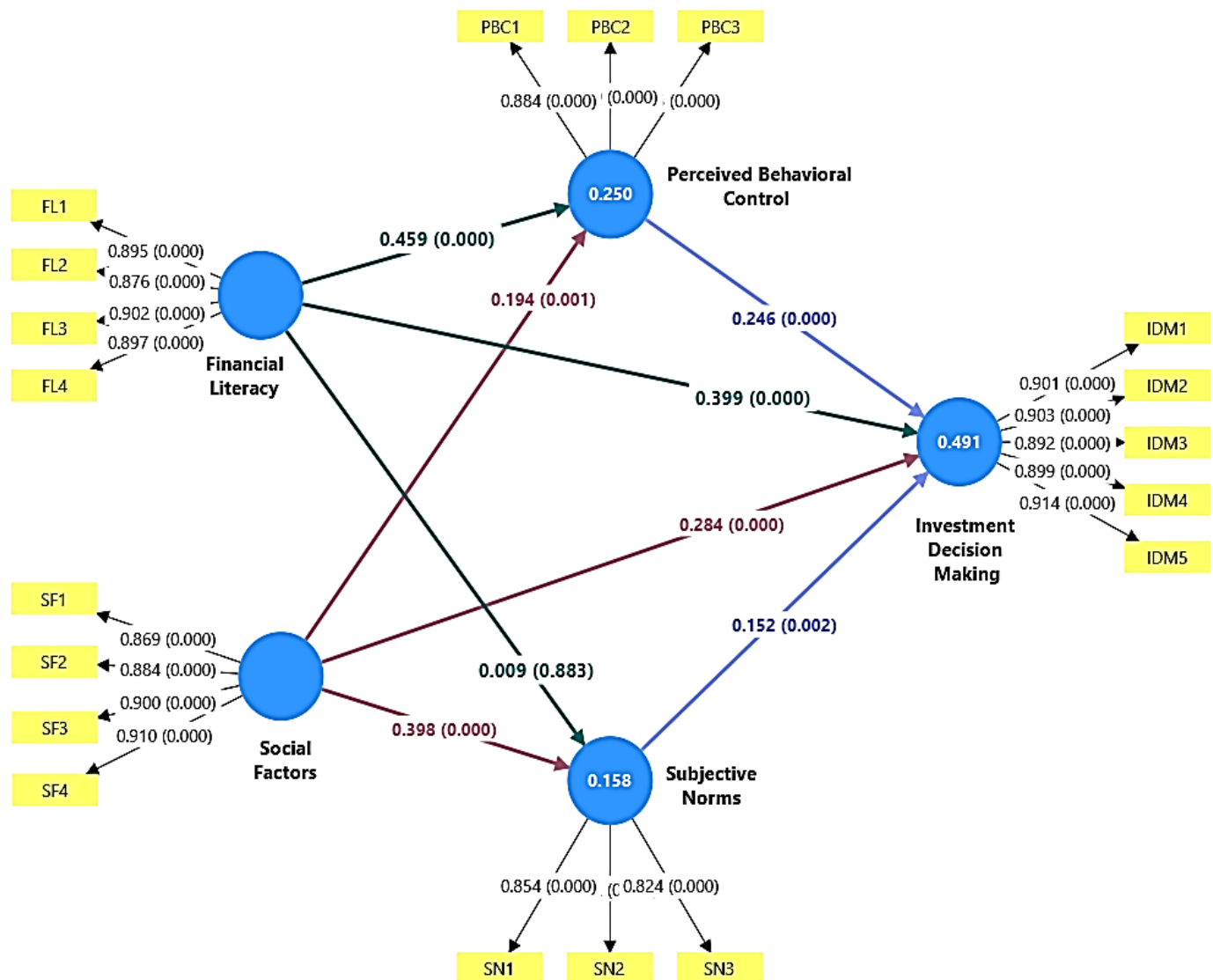


Figure 4.1: Structural Model of Investment Decision Making for Millennials (Source: Smart PLS 4 software)

Table 4.3: Path Analysis and Hypothesis Testing of Millennials

Relationship	Original Sample (O)	STDEV	T Statistics	P Value	Decision
Financial Literacy → Investment Decision-Making	0.399	0.056	7.077	0.000	H1b Supported
Financial Literacy → Perceived Behavioral Control	0.459	0.049	9.378	0.000	H2b Supported

Financial Literacy → Subjective Norms	0.009	0.064	0.147	0.883	H3b Not Supported
Perceived Behavioral Control → Investment Decision-Making	0.246	0.056	4.384	0.000	H4b Supported
Social Factors → Investment Decision-Making	0.284	0.054	5.223	0.000	H5b Supported
Social Factors → Perceived Behavioral Control	0.194	0.060	3.242	0.001	H6b Supported
Social Factors → Subjective Norms	0.398	0.056	7.095	0.000	H7b Supported
Subjective Norms → Investment Decision-Making	0.152	0.050	3.036	0.002	H8b Supported

Source: SmartPLS subgroup analysis for Millennials.

The Millennial subgroup results also support most of the proposed relationships. Financial Literacy significantly influences Investment Decision-Making ($\beta = 0.399$, $p = 0.000$) and Perceived Behavioral Control ($\beta = 0.459$, $p = 0.000$), thereby supporting H1b and H2b. However, just as in the overall sample and the Gen Z subgroup, Financial Literacy does not significantly affect Subjective Norms ($\beta = 0.009$, $p = 0.883$), leading to rejection of H3b. Perceived Behavioral Control significantly affects Investment Decision-Making ($\beta = 0.246$, $p = 0.000$), supporting H4b. Social Factors exert significant positive effects on Investment Decision-Making, Perceived Behavioral Control, and Subjective Norms, supporting H5b, H6b, and H7b. Subjective Norms also significantly influence Investment Decision-Making ($\beta = 0.152$, $p = 0.002$), which supports H8b. The Millennial pattern therefore mirrors the broader logic of the model, with Financial Literacy and Social Factors emerging as important drivers of investment outcomes.

Table 4.4: Mediating

Relationship	Original Sample (O)	STDEV	T Statistics	P Value	Decision
Social Factors → Perceived Behavioral Control → Investment Decision-Making	0.048	0.018	2.597	0.009	H11b Supported
Financial Literacy → Subjective Norms → Investment Decision-Making	0.001	0.010	0.138	0.890	H10b Not Supported

Financial Literacy → Perceived Behavioral Control → Investment Decision-Making	0.113	0.030	3.780	0.000	H9b Supported
Social Factors → Subjective Norms → Investment Decision-Making	0.060	0.021	2.859	0.004	H12b Supported

Source: SmartPLS subgroup mediation output for Millennials.

For Millennials, Perceived Behavioral Control significantly mediates the relationship between Financial Literacy and Investment Decision-Making ($\beta = 0.113$, $p = 0.000$), which supports H9b. Social Factors also affect Investment Decision-Making indirectly through Perceived Behavioral Control ($\beta = 0.048$, $p = 0.009$), supporting H11b, and through Subjective Norms ($\beta = 0.060$, $p = 0.004$), supporting H12b. As in the Gen Z subgroup, Subjective Norms do not mediate the relationship between Financial Literacy and Investment Decision-Making ($\beta = 0.001$, $p = 0.890$), and thus H10b is not supported. The mediation pattern for Millennials therefore confirms that knowledge primarily works through capability, while social influences operate through both confidence and normative pathways.

Table 4.5: Coefficient of Determination (R^2)

Construct	R^2	Adjusted R^2
Investment Decision-Making (IDM)	0.491	0.487
Perceived Behavioral Control (PBC)	0.250	0.246
Subjective Norms (SN)	0.158	0.154

Source: SmartPLS subgroup analysis for Millennials.

The Millennial subgroup explains 49.1 percent of the variance in Investment Decision-Making, 25.0 percent of the variance in Perceived Behavioral Control, and 15.8 percent of the variance in Subjective Norms. These values are slightly lower for Investment Decision-Making and Perceived Behavioral Control than those reported for Gen Z, but slightly higher for Subjective Norms. This suggests that while the model fits both generations well, normative influence may be marginally more stable among Millennials than among Gen Z respondents.

4.3 Multi-Group Analysis (MGA)

The multigroup analysis was conducted to test whether the structural relationships among the study variables differ significantly between Gen Z and Millennials. This is an important final analytical step because the study does not merely seek to identify significant paths within each group but also to determine whether the overall model functions differently across generational categories. The results show that none of the structural path differences between Gen Z and Millennials are statistically significant at the conventional level. Although some individual coefficients differ slightly in magnitude, these differences are not large enough to indicate a meaningful structural distinction between the two groups. This finding leads to rejection of the multigroup difference hypothesis and suggests that the conceptual model operates in a broadly similar manner for both Gen Z and Millennial respondents. In substantive terms, this means that the effects of Financial Literacy, Social Factors, Perceived

Behavioral Control, and Subjective Norms on Investment Decision-Making are not generation-specific in the present sample. This is a notable finding because it indicates a shared pattern of investment behavior across the two cohorts, despite their different age positions and social experiences.

Table 4.6: Multigroup Analysis

Relationship	Difference (Gen Z – Millennials)	1-tailed p value	2-tailed p value	Decision
Financial Literacy → Investment Decision-Making	-0.059	0.790	0.420	Not Significant
Financial Literacy → Perceived Behavioral Control	0.022	0.371	0.742	Not Significant
Financial Literacy → Subjective Norms	-0.006	0.529	0.942	Not Significant
Perceived Behavioral Control → Investment Decision-Making	0.051	0.246	0.492	Not Significant
Social Factors → Investment Decision-Making	0.024	0.365	0.730	Not Significant
Social Factors → Perceived Behavioral Control	0.094	0.110	0.221	Not Significant
Social Factors → Subjective Norms	-0.030	0.655	0.689	Not Significant
Subjective Norms → Investment Decision-Making	0.046	0.244	0.489	Not Significant

Source: SmartPLS multigroup analysis output.

Table 4.6 clearly shows that none of the two-tailed p-values is below 0.05. Therefore, there is no statistically significant difference in any of the structural paths between Gen Z and Millennial respondents. On this basis, H13 is not supported. The absence of significant difference indicates that the proposed model functions in a broadly similar way across both generational groups. This is an important finding because it suggests that the effects of Financial Literacy, Social Factors, Perceived Behavioral Control, and Subjective Norms on Investment Decision-Making are not generation-specific within the present sample. Although the path coefficients differ slightly in magnitude, those differences are not strong enough to be considered statistically meaningful. Hence, the study concludes that Gen Z and Millennials exhibit a comparable investment decision-making pattern under the conceptual model used in this research.

5. Discussion

The findings of the present study confirm that social factors and subjective norms play a meaningful role in shaping investment decision-making among Gen Z and Millennial respondents. The significant positive effect of social factors on investment decision-making suggests that individuals do not make financial choices in isolation; rather, their decisions are influenced by family views, peer discussions,

media exposure, internet-based financial information, and expert guidance. This result supports the broader behavioral finance literature, which argues that financial behaviour is often socially embedded and affected by the surrounding information environment (Alshebami & Aldhyani, 2022; Ammar et al., 2025; Tabassum et al., 2021). In practical terms, the result indicates that respondents use social and informational cues to interpret investment opportunities, reduce uncertainty, and strengthen their decision process. This pattern is especially relevant in modern digital settings where investment ideas circulate rapidly through online communities and media channels. The study also finds that social factors significantly influence subjective norms, which means that continued exposure to social and informational environments contributes to the development of perceived social approval regarding investment participation. This result is theoretically consistent with the view that subjective norms are not formed independently but emerge through communication, shared beliefs, and repeated contact with social expectations. When individuals are frequently exposed to supportive investment-related messages from peers, families, and financial communities, they are more likely to feel that investment is a socially acceptable and desirable activity. This finding is in line with prior studies that emphasize the role of normative and social influences in financial intention and investment-related behavior (Natalia & Sihombing, 2025; Singh et al., 2025; Thanki et al., 2025). It also confirms that subjective norms remain relevant in contemporary financial decision-making, even in situations where individuals have access to independent information.

Another important finding of the study is that subjective norms significantly influence investment decision-making in both generations. This suggests that perceived approval, encouragement, and social expectation contribute positively to actual investment behaviour. Individuals appear more likely to make investment decisions when they believe that important others view such behaviour positively. This result is consistent with theory-based investment studies that identify subjective norms as a key behavioral determinant, particularly in contexts where people seek reassurance before committing to uncertain financial actions (Ikhsan & Wulandari, 2024; Rahmayanti et al., 2025; Thanki et al., 2025). The result also supports the argument that investment behaviour is not purely rational or individualistic; instead, it is partly shaped by how people interpret the expectations and support of those around them. In this sense, subjective norms function as a social-psychological mechanism through which broader social influence affects actual financial action. The Millennial subgroup results further deepen the interpretation of the model. For Millennials, social factors significantly influenced investment decision-making, perceived behavioral control, and subjective norms, while subjective norms also significantly influenced investment decision-making. This indicates that Millennials are shaped not only by financial literacy and internal confidence but also by external information and social surroundings. The significant indirect effects of social factors through both perceived behavioral control and subjective norms show that social influence works through multiple channels. On one hand, it strengthens confidence and perceived ability; on the other hand, it creates a sense of social legitimacy around investment activity. This pattern is consistent with earlier research highlighting the interaction of literacy, behavioral capability, and external influence in financial decision-making (Jain et al., 2023; Kumar et al., 2023; Shahzad et al., 2024). It also suggests that Millennials respond to social influence in a fairly structured way, where external cues contribute to both internal readiness and socially guided decision behaviour.

The study also provides an important comparative insight through the multigroup analysis, which shows that none of the structural path differences between Gen Z and Millennials are statistically significant. Although the coefficients differ slightly in magnitude, the differences are not strong enough to suggest that the model operates differently across the two generations. This is a notable finding because it indicates that the influence of social factors and subjective norms on investment decision-making is broadly similar across both cohorts. Earlier research often suggests that Gen Z may be more socially reactive because of stronger digital exposure, while Millennials may behave more

independently because of greater life-stage maturity. However, the present findings show that both groups follow a comparable investment decision pattern under the proposed conceptual framework. This result supports the multigroup logic highlighted in comparative financial behavior studies and suggests that socially shaped investment behaviour may be more stable across adjacent generations than commonly assumed (Kurniadi & Herdinata, 2024; Shahzad et al., 2024). At the same time, the findings should also be interpreted alongside the broader model in which financial literacy and perceived behavioral control remain important. While this paper emphasizes social factors and subjective norms, the results indicate that investment behaviour is best understood as the outcome of an interaction between financial understanding, internal capability, and social influence. Earlier studies have similarly shown that financial decision-making becomes stronger when knowledge, behavioral confidence, and social context are considered together rather than separately (Adil et al., 2022; Ahmad & Shah, 2022; Hussain et al., 2022; Suresh, 2024). Therefore, the present discussion suggests that social factors and subjective norms should not be treated as secondary influences; instead, they should be viewed as integral elements of the investment decision environment for both Gen Z and Millennials.

6. Conclusion and Implications

The present study concludes that social factors and subjective norms are significant determinants of investment decision-making among Gen Z and Millennial respondents. The findings show that investment decisions are influenced not only by individual reasoning and financial understanding but also by family views, peer discussions, media exposure, internet-based financial information, and perceived social approval. The significant positive effect of social factors on investment decision-making indicates that respondents meaningfully rely on their surrounding information and social environment when making financial choices, while the significant influence of subjective norms confirms that encouragement, support, and approval from important others contribute positively to investment behaviour. The study further concludes that these influences operate in a broadly similar manner across both generations, as the multigroup analysis shows no statistically significant difference in the structural relationships between Gen Z and Millennials. This suggests that socially influenced investment behaviour is not confined to one generation but remains relevant across both younger and middle-aged investor groups. Overall, the study establishes that investment decision-making is a socially embedded process in which external influence and normative expectations play an important role alongside personal and behavioral factors.

Implications

- For policymakers: Financial awareness programs should include social and community influence, not only individual literacy.
- For educators: Investment education should teach students how to assess peer advice, media content, and online financial information critically.
- For financial service providers: Platforms should provide credible, simple, and responsible financial communication for both Gen Z and Millennials.
- For families and social groups: Positive and informed discussion about investment can support better financial decision-making.
- For researchers: Future studies can test the same model in other age groups, regions, or financial contexts.

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